

Message Text

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SECSTATE WASHDC 1405

INFO AMCONSUL BOMBAY

AMCONSUL MADRAS

AMCONSUL CALCUTTA

C O N F I D E N T I A L NEW DELHI 6291

PARIS FOR AMBASSADOR MOYNIHAN

E.O. 11652: GDS

TAGS: PINT, ELAB, IN

SUBJ: NATIONAL RAILWAY STRIKE

SUMMARY: WITH THE STRIKE NOW IN ITS THIRD DAY, IT IS APPARENT THAT A SEVERE STRUGGLE IS UNDERWAY AND THAT THE STAKES ARE HIGH. THE GOVERNMENT IS INCREASINGLY COMMITTED TO BREAKING THE STRIKE AND IS DEPLOYING ITS VERY EXTENSIVE RESOURCES TO ACHIEVE THAT OBJECT. GOVERNMENT OFFICIALS AND MILITARY OFFICERS ARE VIEWING THE TASK OF RESISTING THE STRIKE WITH A SENSE OF MISSION, ON THE OTHER SIDE, THE STRIKERS SEEMS TO BE CLOSING DOWN THE RAILWAYS DESPITE GOVERNMENT PUBLICITY TO THE CONTRARY. AS IS GENERALLY TRUE IN SUCH SITUATIONS, A COMPROMISE IS ALWAYS POSSIBLE, BUT IS NOT YET EMERGING INDIA ALREADY HAS ENOUGH TROUBLE. IT MAY GET WORSE.

STRIKING RAILWAY UNIONS AND THE GOI ARE ISSUING WIDELY CONFLICTING CLAIMS ON THE EFFECTIVENESS OF THE RAILWAY STRIKE. REPORTS FROM THE THREE CONGENS INDICATE THAT WORK STOPPAGES HAVE LARGELY PARALYZED THE RAILWAYS IN THEIR AREAS. IT IS AS
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YET UNCERTAIN, HOWEVER, WHETHER THE GOI HAS SUCCEEDED IN

KEEPING A MINIMUM FLOW OF ESSENTIAL COMMODITIES ON THE RAILS. IN PARLIAMENT, THE PRIME MINISTER HAS REITERATED THE GOI'S TOUGH STAND AGAINST THE STRIKE. END SUMMARY.

1. WIDELY CONFLICTING REPORTS ON THE SUCCESS OF THE RAILWAY STRIKE ARE BEING ISSUED BY THE GOI AND THE STRIKING UNIONS. CONGEN REPORTS INDICATE THAT RAIL SERVICES IN VICINITY OF INDIA'S THREE MAJOR CITIES ARE LARGELY PARALYZED. THE GOI, HOWEVER, CLAIMS THAT IT HAS ACHIEVED ITS OBJECTIVE OF KEEPING A MINIMUM FLOW OF ESSENTIAL COMMODITIES (FOOD, COAL, ETC.) MOVING WITH THE ASSISTANCE OF LOYAL WORKERS AND SECURITY FORCES.

2. DISCUSSIONS BY DAO PERSONNEL WITH SENIOR MILITARY OFFICERS INDICATE THAT THE MILITARY LEADERSHIP HAS WELCOMED MRS. GANDHI'S FIRM COURSE OF ACTION. (THIS CONTRASTS WITH THE ARMY'S ATTITUDE WHEN CALLED UPON TO HELP CONTAIN THE RECENT GUJARAT DISTURBANCES). HOW SUCCESSFUL ARMY TECHNICIANS, TERRITORIAL ARMY RAILWAY GROUPS, AND SECURITY FORCES IN LEAGUE WITH NON-STRIKING WORKERS WILL BE IN MAINTAINING ESSENTIAL SERVICES REMAINS AN UNKNOWN.

3. DURING A TEN-HOUR PARLIAMENTARY DEBATE MAY 10 OVER A NO-CONFIDENCE MOTION MOVED BY THE OPPOSITION, MRS. GANDHI BROKE HER SILENCE AND FIRMLY REITERATED THE GOI OPPOSITION TO NEGOTIATIONS UNDER THE THREAT OF A STRIKE, SHE CLAIMED THAT THE GOI COULD NOT MEET THE STRIKERS TWO MAJOR DEMANDS, WHICH SHE CHARACTERIZED AS CLASHING WITH THE BROADER INTERESTS OF THE COUNTRY. MRS. GANDHI SAID THAT THE STRIKE THREATENED THE VERY FOUNDATION OF THE ECONOMY DURING THE SEVERE ECONOMIC CRISIS WHICH THE COUNTRY WAS FACING. THE NO-CONFIDENCE MOTION FAILED.

4. MRS. GANDHI MET THE MORNING OF MAY 10 WITH OPPOSITION LEADERS TO DISCUSS THE STRIKE. PRESS REPORTS INDICATE THAT THE MEETING PRODUCED NO AGREEMENT.

5. COMMENT: THE VERY HIGH COST OF MEETING THE RAILWAY UNION DEMANDS, THE THREAT OF FURTHER STRIKES SHOULD THE RAILWAYMEN SUCCEED IN BRINGING THE GOVERNMENT TO TERMS: AND THE AGGRAVATION
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OF THE ALREADY DEBILITATING RATE OF INFLATION (23 PERCENT IN 1973) WHICH A SETTLEMENT WOULD PRODUCE EXPLAIN THE GOI DECISION TO MEET THE RAILWAY STRIKE HEAD-ON. MRS. GANDHI UNDOUBTEDLY RECALLS THE HARD GOI TACTICS WHICH BROKE THE 1960 RAILWAYMEN'S STRIKE. ON THIS EARLIER OCCASION, SHE PLAYED AN IMPORTANT ROLE IN FORMULATING AND IMPLEMENTING THE SUCCESSFUL GOI STRATEGY WHICH LED TO THE ASSUMPTION OF EXTRAORDINARY POWERS BY THE GOI, 17,000 ARRESTS, AND ALMOST TOTAL CAPITULATION BY THE

UNIONS FIVE DAYS AFTER THE STRIKE BEGAN. TODAY THE GENERAL
ASSESSMENT OF INFORMED OBSERVERS IS THAT THE GOI HAS FROM ONE
TO TWO WEEKS TO BREAK THE STRIKE OR NEGOTIATE AN AGREEMENT.
IF THE STRIKE CONTINUES BEYOND THIS TIME THERE WILL BE
SEVERE ECONOMIC REPERCUSSIONS INDIA CAN ILL AFFORD.
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